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INFO RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEHZL/EUROPEAN POLITICAL COLLECTIVE

C O N F I D E N T I A L STOCKHOLM 001319

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E.O. 12958: DECL: 10/23/2017
TAGS: [PREL](#) [KNNP](#) [PARM](#) [EFIN](#) [IR](#) [SW](#)
SUBJECT: SWEDEN: DESIGNATION OF IRANIAN ENTITIES AND
INDIVIDUALS

REF: A. STATE 148605
[B.](#) STOCKHOLM 1266
[C.](#) STOCKHOLM 1267

Classified By: DCM Robert Silverman, reason 1.4 (b) and (d).

[1.](#) (c) DCM made reftel demarche on designations of Iranian entities, individuals, and banks October 26 to Deputy Foreign Minister Frank Belfrage, urging Sweden to support parallel steps in an EU setting, as part of the package of autonomous measures. Belfrage said Sweden would like to see another UN resolution as a basis for additional sanctions, though he understood that the threat that the EU might act unilaterally first could help get a third UNSCR later. He added that Sweden was concerned about the WTO implications of sanctions.

[2.](#) (c) Sweden, he said, as a staunch free trader is concerned about the precedent effect of sanctions and in general does not prefer them, although it recognizes that sometimes they are necessary. He noted that when sanctions are appropriate, they need to be designed to be effective. He said that financial sanctions, such as the U.S. had decreed against Iran, met that standard. He said Sweden had called for sanctions against Burma to include not just timber and gems but also oil and gas, which would make a difference to the regime.

[3.](#) (c) Comment: Sweden takes a more nuanced approach to sanctions against Iran than against Burma (refs B and C). Sweden supported autonomous EU measures against Burma, arguing for sanctions with clout, while holding back -- asking for more time and another UNSCR -- on Iran. The difference in approach between Burma and Iran seems to us related to differences in what is at stake for Sweden, commercially and politically. Sweden has more trade with Iran, including selling lots of Volvo trucks there, and has an Embassy there. Burma is more remote to Swedish interests, and is covered diplomatically out of Sweden's mission in Thailand. End Comment.
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